

USAID/Lebanon
ANNUAL REPORT FY 2003

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Please Note:

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A. Program Level Narrative

Program Performance Summary:

Lebanon, like its neighbors, lives in challenging times. Just two years ago, in May 2000, the country was celebrating the withdrawal of Israeli forces from South Lebanon after 22 years of occupation and a devastating civil war. People were excited about resettling, reviving, and reintegrating the South, and bringing stability, security, and sovereignty to the entire country. These goals, however, proved short-lived when Lebanon and Syria disputed the U.N.'s "Blue Line" border with Israel, reviving the "resistance movement" and putting recovery on hold. The September tragedies -- Jerusalem in 2000 and New York and Washington in 2001 -- saw the respective launching of the Intifada and the War on Terrorism. Both affected Lebanon profoundly - the former engendering considerable support for the Palestinian cause, the latter focusing attention on Hizballah as an organization on America's list of global terrorists, and both putting considerable strain on Lebanon's relationship with the United States. Today, in the midst of continued violence and heated emotions across the region; and in the wake of the Arab world's proposals for a comprehensive Middle East peace advanced at the "Beirut Summit" in March, and President Bush's June framework for the same, our hope is that the region, and the world, will finally witness the implementation of a viable and comprehensive plan for peace, and that Lebanon will, above all, become a positive force in moving it forward.

USAID's Programs and Investments: 1997-2002

Nearly five years ago, following a near termination of U.S. development assistance to Lebanon, the USG decided to revive its bilateral assistance program. Much of it was a reaction to the Israeli occupation and continued conflict in South Lebanon, as well as the widening and very apparent social and economic disparities, especially in rural areas. There was also growing recognition of Lebanon's role in building regional economic cooperation and achieving Middle East peace. The outcome: USAID put in place a five-year \$60 million strategy aimed at

- revitalizing and expanding economic opportunities in rural areas, through small-scale infrastructure and income-generating activities;
- promoting democracy and good governance, building capacity of local municipalities to plan and manage resources efficiently and transparently; and
- improving environmental practices, particularly community-based approaches that promote sustainable agriculture and environmental health.

Over time four other activities were added: a WTO accession program to encourage trade and investment, globalization, and broad-based policy and legislative reform; an "industry cluster" program, to identify and promote productive sectors for investment; a water resource management program, to make agriculture more productive and ensure that water pricing is efficient and equitable; and a landmine action program, to make all Lebanese aware of hazardous areas and assist survivors in productive enterprises. From FY 2000-2002 USAID also benefited from an extra \$20 million annually in development assistance and \$30 million in proceeds of USDA surplus commodity sales, bringing total resources for this period to over \$150 million.

Nearly five years later, having operated in an increasingly difficult development context, we can say, with conviction, that this strategy was sound and tailor-made to USAID's strengths. Indeed, USAID has built a reputation as one of the top donor programs in Lebanon, viewed by many as one of the most responsive, expansive, resilient, targeted, high-performing, and quick-disbursing - though far from the largest. We attribute this to our purpose -- promoting equitable, sustainable development in Lebanon over the long-term; our products -- demand-driven, people-focused, affordable, effective, appropriate, visible and accomplishable in the short-term; our partners -- PVOs, NGOs, foundations, universities, business associations, and corporations -- who together, often in partnership with the public sector, form a multi-faceted, highly talented, experienced group capable of navigating effectively at the highest governmental,

corporate, and diplomatic levels, as well as at the community level; and our procedures -- user-friendly, promoting extensive collaboration with all relevant public and private entities and, in contrast to most donor programs, channeling resources directly to implementing partners.

Most important are the significant achievements produced by these “4 Ps,” which include improving living standards among the rural poor; stimulating economic policy reform and growth-oriented industry clusters; supporting Lebanon’s accession to the WTO; strengthening municipal governance; promoting advocacy among NGOs and civil society organizations; improving environmental practices and technologies for environmental health; raising awareness of landmines and helping mine survivors and their families rebuild productive lives; and strengthening Lebanon’s American educational institutions. The program has also created important spread effects with other donors and USAID programs. With a budget averaging \$15 million a year for the first three years, the Mission leveraged \$60 million of World Bank and European Union funding for rural development activities modeled on its Rural Community Development Cluster (RCDC) program, bringing economic opportunities and services to disadvantaged communities often in conflict or post-conflict settings. The RCDC has been adopted and adapted by USAID Missions in the former Republic of Yugoslavia, the West Bank/Gaza, and Jordan.

Programs and Investments for the Future: 2003-2005

USAID’s intention over the next three years -- the time we believe it will take to put Lebanon on a sound path toward sustainable growth and stability -- is to build on its current success, melding elements of the existing strategy into one that: fuses expansion with integration; targets value-added and growth-oriented sectors, geographic areas, and reforms; and promotes economic and political governance, environmental health, and safety and security in ways that enhance Lebanon’s overall well-being, as well as its competitiveness as a regional and global economic force.

To meet this challenge, the Mission, in close collaboration with USAID/W, Embassy and State Department colleagues, and with extensive input from a host of local experts and partners, selected six strategic areas for this next phase...

1. Expanding economic opportunities -- in productive sectors and “growth poles”
2. Accelerating economic reform -- through World Trade Organization membership
3. Strengthening foundations for governance -- with municipalities and civil society
4. Improving environment policies and practices -- for water management and sanitation
5. Promoting mine awareness and victims’ assistance -- for residents in South Lebanon
6. Strengthening American Educational Institutions -- as key development partners

... grounded in six anchors:

1. A transition -- from alleviating poverty to creating economic opportunity
2. A focus - on strengthening growth areas, both geographic and productive
3. A link - between the rural and urban, inland and coastal
4. An emphasis - on governance, reform, and sustainability
5. An added value - from synergies within the program
6. A reliance -- on new partnerships and models for economic growth

These six areas and anchors comprise a strategy based on one long-term development goal, three strategic objectives (SO) and their intermediate results (IR), and three cross-cutting themes. Collectively, the SOs build on, and advance further, USAID’s involvement in economic growth, democratic governance, environmental preservation, and humanitarian assistance. Together they support four Agency Strategic Goals:

- Encourage Economic Growth and Agriculture Development (SOs 1 and 3; strategic areas 1, 2, and 4)
- Strengthen Democracy and Good Governance (SO 2, strategic area 3)
- Protect the Environment for Long-Term Sustainability (SO 3, strategic area 4)

-- Promote Humanitarian Assistance (SO 1, strategic area 5)

Strategic area 6, "Strengthening American Educational Institutions," supports all three SOs and is a key element of the Mission's partnership strategy.

The strategy also fully supports the Mission Performance Plan (MPP) and its goals:

-- Global Economic Growth - promoting Lebanon's accession to the World Trade Organization (WTO), along with policy, legal, and regulatory reforms that promote U.S. commercial interests; expanding economic opportunities, key productive sectors, and "growth poles" that promote balanced development; and encouraging economic development and reform through various information technologies.

-- Regional Stability - expanding USAID's rural development and economic growth, municipal, environmental, and landmine action programs to help reintegrate residents in the former Israeli security zone into national economic and political life.

-- Combating Terrorism - expanding USAID's development programs to provide a counterweight to Hizballah's social and economic activities in South Lebanon and the Bekaa Valley.

The new strategy also dovetails nicely with the Secretary's "Middle East Partnership for the Future," targeted at reducing social and economic inequities, improving the economic and business climate, and building human capacity across the region; as well as the Agency's Global Development Alliance, a business model that is especially relevant as the Mission strengthens and expands its network of public-private partnerships.

Environmental Compliance: In 2002, USAID/Lebanon conducted a forest and biological diversity assessment to comply with the requirements of Sections 118 and 119 of the Foreign Assistance Act (FAA) to insure that the program is sensitive to biodiversity concerns. Section 119 (d) of the FAA requires that all USAID operating units strategic plans include a summary of (1) the actions necessary to conserve biological diversity, and (2) the extent to which the actions proposed meet the identified needs. Section 118 (e) requires that strategic plans for countries that have any part of their territory within the tropics shall also include a summary of (1) the actions necessary to achieve sustainable management of tropical forests and (2) the extent to which the actions proposed meet the identified needs. Since no part of Lebanon falls within the tropics, section 118 does not apply to Lebanon. Yet, an analysis has been conducted to assess the status of forests in Lebanon and their relation to biodiversity.

Synopsis of the assessment: The forest and biological diversity assessment showed that the impact of the USAID program on forests and biodiversity during the 1997 -2001-strategy period was somehow neutral. Some activities as the agricultural roads, tree planting, drainage canals and hill lakes in addition to the cows program may have had some minor negative or positive impacts. The solid waste and wastewater treatment plants, biogas fermentation tanks, and slaughter house activities all had overall positive environmental impacts. However these have to be dealt with very carefully as they may potentially have adverse environmental impacts if not properly studied and assessed prior to implementation. It is not likely that any of these activities had significant impacts on forests or biodiversity, but there may have been localized impacts that can be mitigated. Recommendations for the future stress on the need for counterparts implementing the program to be aware of the impacts and follow standard Environmental Impact Assessments (EIA) procedures prior to execution of activities. Under the three objectives of this strategy, NGOs and municipalities will be encouraged to incorporate environmental impact analyses into their overall program planning and implementation processes. In addition, USAID/Lebanon recognizes the need to build the knowledge base at the community, municipality and NGO level through establishing a data base on the status of biodiversity in Lebanon (biologically sensitive or endangered species), building awareness through workshops, training programs, ecotourism and cultural tourism activities.

Country Closeout & Graduation:

D. Results Framework

268-001 Reconstruction and Expanded Economic Opportunity

- IR 1.1 Improved Enabling Environment for Trade and Investment
- IR 1.2 Improved Competitiveness and Growth of Targeted Sectors
- IR 1.3 Increased Rural and Industry Cluster Opportunities
- IR 1.4 Enhanced Access to Credit
- IR 1.5 Increase Safety and Assistance in Landmine-Affected Areas

Discussion: Under the new USAID/Lebanon transition strategy for 2003 - 2005, the title of this SO has been modified to read as follows: Expanded Economic Opportunity. Also IR's have been changed to fit the new activities that will start implementation in the first quarter of FY 03.

268-002 Increased Effectiveness of Selected Institutions Which Support Democracy

- IR 2.1 Improved Municipal Governance
- IR 2.2 Expanded Role for Civil Society Advocacy
- IR 2.3 Increased Responsiveness of Parliament

Discussion: Under the new USAID/Lebanon transition strategy for 2003 - 2005, the title of this SO has been modified to read as follows: Strengthened Foundations for Governance. Also IR's have been changed to be adapted to the more developed scope of the governance program.

268-005 Improved Environmental Practices

- IR 3.1 Increased Use of Appropriate Waste Management Practices
- IR 3.2 Improved Participatory Approaches in Water Management
- IR 3.3 Increased Effectiveness of Water Authorities, Laws, and Policies

Discussion: Under the new USAID/Lebanon transition strategy for 2003 - 2005, the title of this SO has been modified to read as follows: Improved Environmental Policies and Practices. Also IR's have been changed to fit with the new activities that will start implementation in FY 03.

Selected Performance Measures - Lebanon

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Indicator (all data should pertain to FY or CY 02)	OU Response	Significant Result: Description of the significant result for a strategic objective	Data Quality Factors: Information relevant to the collection of this indicator data, e.g. "this data was not collected last year because it is only collected every five years."
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Pillar I: Global Development Alliance

Did your operating unit achieve a significant result working in alliance with the private sector or NGOs?

268-001 Expanded Economic Opportunity	Yes			A major marketing agreement has been signed between the international NGO World Rehabilitation Fund (WRF) and a private poultry production company Shuman Farms. Shuman will handle the marketing of free range eggs "B.Balady" produced by landmines survivors and their families. In addition, computer training in rural communities through the smart digital bus started in late 2001 and continues in close partnership with the private company -Professional Computers Association- that has leveraged \$65,000. 4 rural villages in South Lebanon have been trained so far.	
a. How many alliances did you implement in 2002? (list partners)	1				Information reported is based on progress reports of partners and field visits conducted to the projects sites.
b. How many alliances do you plan to implement in FY 2003?	2				
What amount of funds has been leveraged by the alliances in relationship to USAID's contribution?	10000				

Pillar II: Economic Growth, Agriculture and Trade

USAID Objective 1: Critical, private markets expanded and strengthened

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

268-001 Expanded Economic Opportunity			
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USAID Objective 2: More rapid and enhanced agricultural development and food security encouraged

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

268-001 Expanded Economic Opportunity	Yes			<p>This year witnessed the completion of almost all of the activities under the rural community development program. Significant results reflect the cumulative achievements of these activities that had impacts far exceeding the set targets. More than 27,000 - initial target 26,500 - hectares of agricultural land have been brought back in production through improved irrigation and better access to the land. In addition, more than 40,000 farmers benefitted from agricultural training and extension services, marketing know-how, and were introduced to new technologies, and new crops for improving agricultural production.</p>	<p>Data quality for this objective is assessed semi-annually for approximately 25% of all ongoing and completed activities through a unified reporting system that all implementing partners apply, as well as through regular field trips.</p>
268-002 Strengthened Foundations for Governance					

USAID Objective 3: Access to economic opportunity for the rural and urban poor expanded and made more equitable

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

268-001 Expanded Economic Opportunity	Yes			<p>This year witnessed the completion of almost all of the activities under the rural community development program. Significant results reflect the cumulative achievements of under these activities that reached impacts beyond the set targets. More than 200,000 families in rural areas live in better social and economic conditions through access to job opportunities and improved social infrastructure: better potable water supply, improved hygienic and health conditions, and enhanced educational conditions. In addition, around 5,000 small entrepreneurs have improved their businesses this year benefiting from a \$6.8 million microfinance loans.</p>	<p>Data quality for this objective is assessed semi-annually for approximately 25% of all ongoing and completed activities through a unified reporting system that all implementing partners apply, as well as through regular field trips. Benefits may accrue on the same family more than once. In some cases families are counted more than once. Data is based on the cumulative number of families affected by the diverse activities that aim at improving the socio-economic conditions of the rural communities.</p>
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USAID Objective 4: Access to quality basic education for under-served populations, especially for girls and women, expanded

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

a. Number of children enrolled in primary schools affected by USAID basic education programs (2002 actual)	0 Male	0 Female	0 Total	
b. Number of children enrolled in primary schools affected by USAID basic education programs (2003 target)	Male	Female	Total	

USAID Objective 5: World's environment protected by emphasizing policies and practices ensuring environmentally sound and efficient energy use, sustainable urbanization,

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

268-005 Improved Environmental Policies and Practices	Yes			In FY02, almost all of the environmental activities implemented under the community development program were completed with results exceeding the set targets. A total of 329 villages against a planned target of 207 have better sanitation and health conditions and are more aware of environmental hazards through the implementation of reforestation, drainage, land reclamation, and wastewater and solid waste management activities. These activities resulted in the improvement of 15,500 hectares against a planned target of 14,735. Specifically, waste management technologies were regarded as an appropriate and low cost solution to local community level environmental problems, prompting demands for replication country-wide, while accounting for lessons learned. In particular, the Ministry of Environment endorsed the pioneering projects and encouraged their replication in all areas of Lebanon as an alternative to large scale and costly infrastructure projects.
a. Hectares under Approved Management Plans (2002 actual)	9316			Data from Information Management System is reviewed semi-annually through a special reporting system and regular field visits.
b. Hectares under Approved Management Plans (2003 target)				Most of the activities under this indicator have closed out by the end of FY 02 with some still ongoing till second quarter of FY 03.

Pillar III: Global Health

USAID Objective 1: Reducing the number of unintended pregnancies

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

Percentage of in-union women age 15-49 using, or whose partner is using, a modern method of contraception at the time of the survey. (DHS/RHS)	%			
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USAID Objective 2: Reducing infant and child mortality

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

Percentage of children age 12 months or less who have received their third dose of DPT (DHS/RHS)	Male	Female	Total	
Percentage of children age 6-59 months who had a case of diarrhea in the last two weeks and received ORT (DHS/RHS)	Male	Female	Total	
Percentage of children age 6-59 months receiving a vitamin A supplement during the last six months (DHS/RHS)	Male	Female	Total	

Were there any confirmed cases of wild-strain polio transmission in your country?				
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USAID Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

Percentage of births attended by medically-trained personnel (DHS/RHS)	%			
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USAID Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

a. Total condom sales (2002 actual)				
b. Total condom sales (2003 target)				
National HIV Seroprevalence Rates reported annually (Source: National Sentinel Surveillance System)	%			
Number of sex partners in past year (Source: national survey/conducted every 3-5 years)per DHS or other survey)				
Median age at first sex among young men and women (age of sexual debut) ages 15 - 24 (Source: national survey/conducted every 3-5 years) per DHS or other survey)	Male	Female	Total	
Condom use with last non-regular partner (Source: national survey/conducted every 3-5 years)per DHS or other survey)	%			
Number of Clients provided services at STI clinics				
Number of STI clinics with USAID assistance				
Number of orphans and other vulnerable children receiving care/support				
Number of Orphans and Vulnerable Children programs with USAID assistance				
Number of community initiatives or community organizations receiving support to care for orphans and other vulnerable children				
Number of USAID-supported health facilities offering PMTCT services				
Number of women who attended PMTCT sites for a new pregnancy in the past 12 months				
Number of women with known HIV infection among those seen at PMTCT sites within the past year.				

Number of HIV-positive women attending antenatal clinics receiving a complete course of ARV therapy to prevent MTCT (UNGASS National Programme & Behavior Indicator #4)				
Number of individuals reached by community and home-based care programs in the past 12 months				
Number of USAID-assisted community and home-based care programs				
Number of clients seen at Voluntary Counseling and Testing (VCT) centers				
Number of VCT centers with USAID assistance				
Number of HIV-infected persons receiving Anti-Retroviral (ARV) treatment				
Number of USAID-assisted ARV treatment program				
a. Number of individuals treated in STI programs (2002 actual)	Male	Female	Total	
b. Number of individuals treated in STI programs (2003 target)	Male	Female	Total	
a. Is your operating unit supporting an MTCT program?				
b. Will your operating unit start an MTCT program in 2003?				
a. Number of individuals reached by community and home based care programs (2002 actual)	Male	Female	Total	
b. Number of individuals reached by community and home based care programs (2003 target)	Male	Female	Total	
a. Number of orphans and vulnerable children reached (2002 actual)	Male	Female	Total	
b. Number of orphans and vulnerable children reached (2003 target)	Male	Female	Total	
a. Number of individuals reached by antiretroviral (ARV) treatment programs (2002 actual)	Male	Female	Total	
b. Number of individuals reached by antiretroviral (ARV) treatment programs (2003 target)	Male	Female	Total	
USAID Objective 5: Reducing the threat of infectious diseases of major public health importance				
Did your program achieve a significant result in the past year that is likely to contribute to this objective?				
a. Number of insecticide impregnated bed-nets sold (Malaria) (2002 actual)				

b. Number of insecticide impregnated bed-nets sold (Malaria) (2003 target)				
a. Proportion of districts implementing the DOTS Tuberculosis strategy (2002 actual)	%			
b. Proportion of districts implementing the DOTS Tuberculosis strategy (2003 target)	%			

Pillar III: Democracy, Conflict and Humanitarian Assistance

USAID Objective 1: Strengthen the rule of law and respect for human rights

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

268-002 Strengthened Foundations for Governance			
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USAID Objective 2: Encourage credible and competitive political processes

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

USAID Objective 3: Promote the development of politically active civil society

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

USAID Objective 4: Encourage more transparent and accountable government institutions

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

268-002 Strengthened Foundations for Governance	Yes			<p>Technical assistance provided to municipalities simplified municipal administrative procedures and standardized budget allowing municipalities to provide services in a transparent, efficient and accountable manner, eliminating tax evasion. For instance, In North Lebanon, 97 municipalities out of 160 are using the Municipal Revenue System effectively. Their revenues to be collected for 2002 increased by 34% compared to 2001. They amounted to \$8.5 m in 2002, as compared to \$6.4 in 2001 prior to receiving USAID assistance.</p> <p>Results are monitored and assessed through semi-annual reports, meetings with beneficiaries and implementing NGO and site visits. Also, additional requests for support are indicators of success and good implementation.</p>
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USAID Objective 5: Mitigate conflict

Did your program in a pre-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?

Did your program in a post-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?

Number of refugees and internally displaced persons assisted by USAID	0 Male	0 Female	0 Total	
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USAID Objective 6: Provide humanitarian relief

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

Number of beneficiaries				
Crude mortality rates	%			
Child malnutrition rates	%			
Did you provide support to torture survivors this year, even as part of a larger effort?				
Number of beneficiaries (adults age 15 and over)	Male	Female	Total	
Number of beneficiaries (children under age 15)	Male	Female	Total	